

3.11 SOCIOECONOMICS

The socioeconomic evaluation for this EIS describes the social and economic characteristics that would potentially be affected by the Proposed Action and its alternatives. These social and economic variables include population, employment, tourism, housing, and the fiscal environment of local governments. The ROI for this socioeconomic analysis encompasses Hancock, Harrison, and Jackson Counties, Mississippi, although it is recognized that some social and economic effects may extend outside this region. The cities of Biloxi and Gulfport, in Harrison County, are examined more closely than other cities in the ROI because the gaming industry is largely concentrated within these cities.

Population, employment, housing, tourism, and fiscal trends reflect the steady pace of growth that has occurred in the three-county ROI. Overall, the casino gaming industry represents only part of this growth. Population, employment, housing construction, tourism, and tourism- and gaming-related revenues are increasing, while unemployment is decreasing. Crime levels and public expenditures related to increased population and visitor numbers are increasing. Many public expenditure needs are being financed with the increased revenues from tourism and gaming.

3.11.1 Population

3.11.1.1 Population Trends

Population growth in Hancock, Harrison, and Jackson Counties has varied over the past three decades. As indicated in Table 3.11-1, the three-county region experienced strong population growth between 1970 and 1980, growing by over 60,000 persons and outpacing the growth rates of both the state and the nation. Between 1980 and 1990, however, population increases slowed in Hancock and Harrison Counties and were negative in Jackson County. During this time, the three-county region grew by only about 12,000 people.

**Table 3.11-1
Historical Population Trends**

Location	1970	1980	1990	% Change 1970-1980	% Change 1980-1990
Hancock County	17,387	24,496	31,760	40.9	29.7
Harrison County	134,582	157,665	165,365	17.2	4.9
Jackson County	87,975	118,015	115,243	34.1	-2.3
Mississippi	2,216,994	2,521,000	2,577,256	13.7	2.2
United States	203,302,031	227,225,000	249,439,000	11.8	9.8

Source: U. S. Census Bureau, 1970, 1980, and 1999a.

The unincorporated areas of Hancock County have experienced a higher growth rate than the incorporated areas over the past two decades. Population estimates in 1996 show this trend continuing for Hancock County, with over 58 percent of the population living in unincorporated

areas (Table 3.11-2). Harrison and Jackson Counties, however, have exhibited an opposite trend. As of 1990, over 84 percent of Harrison County's population lived in the incorporated areas of Biloxi, D'Iberville, Gulfport, Long Beach, and Pass Christian. About 60 percent of Jackson County's population lived in the incorporated areas of Gautier, Moss Point, Ocean Springs, and Pascagoula. Population estimates for 1996 show past trends slowing for Jackson and Harrison Counties, with a 3 percent decline in the Harrison and Jackson Counties population living in incorporated areas (GRPC, 1998c).

Table 3.11-2
Population Distribution

Location	1980*		1990		1996	
	Total	% of Total	Total	% of Total	Total	% of Total
Hancock County	24,496	100.0%	31,760	100.0%	38,346	100.0%
Incorporated areas	12,207	49.8%	13,431	42.3%	16,011	41.8%
Unincorporated areas	12,289	50.2%	18,329	57.7%	22,335	58.2%
Harrison County	157,665	100.0%	165,365	100.0%	175,256	100.0%
Incorporated areas	101,968	64.7%	139,075	84.1%	142,475	81.3%
Unincorporated areas	55,697	35.3%	26,290	15.9%	32,781	18.7%
Jackson County	118,015	100.0%	115,243	100.0%	127,887	100.0%
Incorporated areas	62,820	53.2%	70,172	60.9%	72,636	56.8%
Unincorporated areas	55,195	46.8%	45,071	39.1%	55,251	43.2%

Source: U. S. Census Bureau, 1990 and 1999a.

*The cities of D'Iberville (Harrison County) and Gautier (Jackson County) did not incorporate until after 1980.

In Harrison County, part of this trend can be explained by the incorporation of D'Iberville in 1988 and annexation activity by incorporated areas. In 1994, the city of Gulfport added about 23,000 persons through annexation (GRPC, 1999). In 1999, the city of Biloxi annexed 34 square miles, adding over 6,000 new people to the incorporated area. In Jackson County, the incorporation of Gautier in 1986 added to the population of incorporated areas.

Between 1990 and 1996, the three-county region reported over 25,000 residential building permits and nearly 5,600 commercial construction permits (although not all areas reported data for all years). Incorporated areas represented the majority of the permits (67 percent of residential permits and 84 percent of commercial permits). The unincorporated areas of Jackson County represented 19 percent of the residential permits, followed by the incorporated areas of Biloxi (17 percent), Gulfport (13 percent), and Pascagoula (11 percent), and the unincorporated area of Harrison County (11 percent). The incorporated areas of Biloxi represented 40 percent of the commercial permits, followed by the incorporated areas of Gulfport (22 percent) and Pascagoula (11 percent), and the unincorporated areas of Jackson County (9 percent) (GRPC, 1998c).

3.11.1.2 *Population Estimates*

Population estimates used in the socioeconomic analysis were taken from the Federal and State Cooperative Program for population estimates, a collaborative effort by the Mississippi Institutions of Higher Learning and the U. S. Census Bureau. It is recognized that the Federal and State Cooperative Program for population estimates may under-count population growth compared to estimates prepared by local governments, such as the cities of Biloxi and Gulfport. However, this federally recognized program provides consistent population estimates for both incorporated and unincorporated areas of the three-county ROI and is therefore the most appropriate data source for the analysis. It is also important to note that the differences in the population estimates used in this analysis and the population estimates prepared by local governments are not substantial enough to change the characterization of the socioeconomic conditions presented herein.

Population estimates between 1990 and 1998 indicate double-digit population increases for the Mississippi Gulf Coast counties (see Table 3.11-3). Population estimates show a 27 percent increase in Hancock County, a 14 percent increase in Jackson County, and an 8 percent increase in Harrison County. Together, Harrison and Jackson Counties represent over three-fourths of the total estimated population growth. The cities of Biloxi and Gulfport account for the majority of Harrison County's growth, representing approximately 67 percent of the county's total population in 1990, but decreasing to 63 percent of the county's total population by 1998 (U. S. Census, 1999a).

The largest population gains occurred between 1992 and 1994, coinciding with the beginnings of casino development in 1990 (Hancock County) and 1992 (Harrison County). After this period, the rate of population increase was slower, and by 1996, population had decreased slightly in Harrison and Jackson Counties (see Table 3.11-3).

Similarly, the rate of population growth in the cities of Biloxi and Gulfport has not consistently increased over the past decade. The largest population gains in the city of Biloxi occurred between 1991 and 1992, when the population grew by over 1,500 people (3.4 percent). The city of Gulfport's largest population gain also occurred between 1991 and 1992, when the population grew by over 500 people or 1.4 percent (excluding 1994, when the population grew by 23,000 due to annexation activity). The city of Bay St. Louis (Hancock County), however, has shown consistent population gains between 1990 and 1998. The largest population gains for Bay St. Louis occurred between 1992 and 1993, when the population increased by over 300 people (4.4 percent).

Between 1992 and 1998 the population of the three-county region increased by more than 27,000 people (9 percent). Future population projections assume that growth is expected to continue as people relocate to the region for a variety of reasons, including the relatively low cost of living, the temperate climate, and new employment opportunities (Southern Mississippi Planning and Development District, 1991).

**Table 3.11-3
Population Estimates**

Location	1990	1991	1992	1993	1994	1995	1996	1997	1998	% Change 1990-1998
Hancock Co.	31,760	32,392	33,143	34,866	36,490	37,427	38,346	39,358	40,327	27.0%
Bay St. Louis	8,063	8,175	8,317	8,681	9,008	9,230	9,433	---	9,841	22.0%
Harrison Co.	165,365	164,784	167,845	170,671	175,625	175,869	175,256	176,257	177,981	7.6%
Biloxi	46,319	46,112	47,694	47,585	47,672	48,749	48,414	---	47,316	2.2%
Gulfport	40,775	40,853	41,428	41,976	65,039	64,529	64,829	---	64,762	58.8%
Jackson Co.	115,243	116,780	120,491	123,697	126,091	128,085	127,887	128,664	130,910	13.6%
Mississippi	2,577,256	2,591,028	2,610,096	2,635,647	2,663,145	2,690,452	2,710,022	2,731,644	2,752,092	6.8%

Source: U. S. Census Bureau, 1999a.

3.11.2 *Employment*

3.11.2.1 *Employment Trends*

Population growth in the three-county region is largely attributable to the seafood, maritime, and tourism industries, the region's proximity to New Orleans, Louisiana, and the development of government facilities, such as the Stennis Space Center and Keesler Air Force Base. Recently, the three-county region has experienced a decline in the seafood industry and a rise in economic activity related to the casino gaming industry. The economic growth engines associated with the casino gaming industry, combined with continued growth in federal government sectors, has led to the expansion in the retail and services industry and in the residential and commercial construction sectors.

Table 3.11-4 compares employment by place of work for the three-county region for 1996 and 1999. Employment is defined as the number of jobs provided by work places in the three-county region. Total employment in the three-county region grew faster than total employment in the state of Mississippi. Hancock County showed the largest gain at about 13 percent, while Harrison and Jackson Counties each showed 8 percent gains. As a whole, non-manufacturing employment (all employment excluding manufacturing employment) grew faster for each of the three counties compared to the state. The majority of casino industry employment is concentrated in the retail trade and services sectors.

The largest employment gains over the three-county region occurred in construction. In 1996, the construction industry employed more than 7,600 people in the three-county region. By 1999, this number had grown to over 11,300 people. As a result, Jackson and Hancock Counties experienced increases in construction employment of 84 percent and 112 percent, respectively, between 1996 and 1999. Nonetheless, construction employment in Hancock County represents only a small fraction of total employment in the county.

Currently, the gaming industry in Mississippi employs nearly 38,000 people, with 28,000 people employed in related industries. The casino industry payroll is more than \$600 million per year (Mississippi Gaming Commission, 1999). Casino gaming employment in the three-county region increased by 50 percent between 1995 and 1999, with the three-county region accounting for more than 45 percent of the state's total gaming employment. In 1995, the Mississippi Gaming Commission reported 11,819 employees in the gaming industry in the coastal region. As of September of 1999, the Commission reported 17,789 gaming industry employees in the coastal region, which represents approximately 11 percent of total employment in the three-county region.

1 3.11.2.2 *Labor Force and Unemployment Rates*

2
3 Labor force information and unemployment rates are shown in Table 3.11-5. The existing labor
4 force contains both employed workers and unemployed workers looking for work. Table 3.11-5
5 excludes those persons serving in the armed forces. In 1990, the armed forces accounted for over
6 9,500 persons (12 percent) of Harrison County's labor force. In Hancock and Jackson Counties,
7 only 2 percent or less of the labor force served in the armed forces (U. S. Census, 1999c).

8
9 The unemployment rates in Hancock, Harrison, and Jackson Counties have decreased
10 substantially since 1990 (see Table 3.11-5). In 1990, the unemployment rate was above the
11 national rate; however, by 1999 the unemployment rate for the three-county region fell below
12 both national and state unemployment rates (MESC, 1999).
13

Table 3.11-4
1996 and 1999 Employment by Place of Work (Year-to-Date Averages)

Industry	Hancock County			Harrison County			Jackson County			Mississippi		
	1996	1999	% Change	1996	1999	% Change	1996	1999	% Change	1996	1999	% Change
Manufacturing	920	1,600	73.9%	5,170	5,350	3.5%	18,950	19,620	3.5%	245,600	240,900	-1.9%
Mining	0	0	0%	20	20	0%	10	0	-100.0%	5,300	6,100	15.1%
Construction	420	890	111.9%	4,260	5,090	19.5%	2,930	5,380	83.6%	48,600	56,400	16.0%
Transp. and public utilities	300	380	26.7%	5,220	5,010	-4.0%	1,200	1,050	-12.5%	52,800	54,100	2.5%
Wholesale and retail trade	2,160	2,270	5.1%	19,870	21,460	8.0%	9,150	9,260	1.2%	232,900	224,800	-3.5%
F.I.R.E.	270	310	14.8%	3,060	3,610	18.0%	1,250	1,280	2.4%	40,900	42,300	3.4%
Services and misc.	4,830	5,010	3.7%	29,260	33,180	13.4%	7,410	7,900	6.6%	246,100	261,300	6.2%
Government	3,380	3,400	0.6%	16,940	17,310	2.2%	9,270	9,930	7.1%	216,800	224,700	3.6%
Non-Manufacturing Total	11,360	12,260	7.9%	78,630	85,680	9.0%	31,220	34,800	11.5%	843,300	889,700	5.5%
Total	12,280	13,860	12.9%	83,800	91,030	8.6%	50,170	54,420	8.5%	1,088,900	1,130,600	3.8%

Source: Mississippi Employment Security Commission (MESCC), 1999.

1
2
3

Table 3.11-5
Labor Force and Unemployment Rates

Location	1990			1996			1999		
	Civilian Labor Force	Number of Unemployed	Rate*	Civilian Labor Force	Number of Unemployed	Rate	Civilian Labor Force	Number of Unemployed	Rate
Hancock Co.	---	---	7.2	16,270	930	5.7	17,730	700	3.9
Harrison Co.	---	---	6.7	80,900	3,950	4.9	85,680	2,760	3.2
Jackson Co.	---	---	7.2	64,660	3,580	5.5	68,500	2,160	3.2
Mississippi	---	---	7.6	1,257,200	77,000	6.1	1,280,500	63,500	5.0
United States	125,856,667	7,061,000	5.6	133,941,417	7,231,083	5.4	139,206,222	5,920,888	4.3

Source: Bureau of Labor Statistics, 1999 and MESC, 1999.

* 1990 unemployment rates for Mississippi and Hancock, Harrison, and Jackson Counties have been revised using 1996 data. The 1990 unemployment rate was not calculated using 1990 civilian labor force and number of unemployed data.

4
5
6

3.11.2.3 Largest Employers

The ten largest employers in the three-county region are shown in Table 3.11-6. The largest employers include the federal government (military and related facilities), the port (shipbuilding facilities), and Singing River Hospital. Though only three of the largest employers are casinos, it is important to note that other casinos in the three-county region employ from 500 to 1,200 people each, as shown in Table 3.11-7 (Mississippi Gaming Commission, 1999).

**Table 3.11-6
Largest Employers**

Employer	Location	No. of Employees
Keesler Air Force Base	Biloxi	15,823
Ingalls	Pascagoula	13,671
Naval Construction Battalion Center	Gulfport	4,318
Beau Rivage	Biloxi	3,916*
Stennis Space Center	Stennis	3,747
Grand Casino	Biloxi	2,853*
Singing River Hospital	Pascagoula	2,446
Grand Casino	Gulfport	2,191*
Naval Station Pascagoula	Pascagoula	1,800
U.S. Veterans Hospitals	Biloxi and Gulfport	1,500

Source: Harrison County, 1999d.

*Mississippi Gaming Commission, 1999.

**Table 3.11-7
Other Casino Employers**

Employer	Location	No. of Employees
Imperial Palace	Biloxi	1,288
Casino Magic	Biloxi	1,207
Casino Magic	Bay St. Louis	1,200
Treasure Bay	Biloxi	1,065
Isle of Capri	Biloxi	1,024
Boomtown	Biloxi	942
President	Biloxi	856
New Palace	Biloxi	675
Copa	Gulfport	572

Source: Mississippi Gaming Commission, 1999.

3.11.2.4 Income and Poverty Levels

Table 3.11-8 shows income and poverty data for the Mississippi Gulf Coast counties as reported by the U. S. Census Bureau in 1980 and 1990. Since 1980, the three-county region had higher incomes (per capita, median family, and median household) than the state of Mississippi. Since 1990, per capita income trends show steadily rising incomes in all three counties. In 1995, per capita income was \$18,328 in Harrison County, \$17,899 in Jackson County, and \$15,497 in Hancock County (GRPC, 1998c).

Between 1980 and 1990 the number of persons and families living below the poverty line increased in the three-county region. In 1980, a person earning less than \$4,190 was considered to be living below the poverty line; in 1990, the threshold was \$6,652. Jackson County had the highest incomes and lowest percentages of persons and families living below the poverty level in 1990. Between 1980 and 1990, the apparent contradiction of rising incomes at the same time as increasing below-poverty level numbers can be accounted for by the different experiences of different income groups; smaller groups with higher incomes did better economically than a larger group with middle or lower incomes who lost economic ground. Poverty estimates for 1995 show decreasing percentages of persons living below the poverty line in Mississippi (21.4 percent), Hancock County (18.2 percent), Harrison County (16.8 percent), and Jackson County (14.7 percent). In Mississippi, the 1997-98 average for persons living below the poverty line was 17.1 percent, decreasing from 25.2 percent in 1990 (U. S. Census, 1999a). In 1998, persons earning less than \$8,316 were considered to be living below the poverty line.

**Table 3.11-8
Income and Poverty Levels**

	Hancock County		Harrison County		Jackson County		Mississippi	
	1980	1990	1980	1990	1980	1990	1980	1990
Per capita income	\$5,705	\$12,454	\$5,807	\$13,266	\$6,122	\$13,603	\$5,183	\$9,648
Median family income	\$15,054	\$24,599	\$15,712	\$26,058	\$18,762	\$29,984	\$14,591	\$24,448
Median household income	\$13,139	\$20,720	\$13,402	\$22,157	\$16,986	\$26,444	\$12,096	\$20,136
% persons living below poverty line	19.9	22.7	17.0	19.0	12.1	16.2	23.9	25.2
% families living below poverty line	15.6	19.1	13.9	15.4	10.0	14.0	18.7	20.2
No. of households	8,175	11,680	52,102	59,627	37,624	40,433	828,389	910,574
No. of families	6,411	8,649	39,570	43,459	30,756	31,855	645,453	679,191

Source: U. S. Census Bureau, 1980 and 1990.

In 1995, the average wage for all industries in the state of Mississippi was \$20,000 (Arthur Andersen, 1997). The same year, the average national wage for casino gaming employees was approximately \$26,000, equal to the average national wage for all industries (Arthur Andersen, 1996). The 1995 average wage for casino gaming employees across the state of Mississippi was \$21,000, compared to \$22,000 on the Gulf Coast.

3.11.3 Crime

Each jurisdiction within the three-county region, including the city of Biloxi, reported annual average crime statistics between 1993 and 1997 (Appendix K). Total crimes reported include (but are not limited to) murder, rape, robbery aggravated assault, burglary, larceny, vehicle theft, and DUI arrests.

Table 3.11-9 presents trends in the annual average ratio of crime to persons for Mississippi, Hancock, Harrison, and Jackson Counties and the city of Biloxi. In most instances, crime has increased in the three-county region over the past decade. Crimes of property—including auto theft, burglary, robbery, and larceny—were among the leading crimes reported. Hancock County continues to exhibit the lowest crime-per-person ratio, reporting 1 crime for every 48.7 persons in 1997, while the city of Biloxi continues to show a higher number of crimes per person at 1:5.9.

Although larceny was reported among the top three crimes within the state of Mississippi, the most significant crimes in the state included assault and violent crimes. Violent crimes were not reported among the top crimes for any of the jurisdictions in the Gulf Coast region.

Crimes of property and drugs were reported within jurisdictions that contain casinos and those that do not. Jurisdictions in which the casino industry has the largest presence, including Hancock and Harrison Counties and the city of Biloxi, reported property crimes, drug crimes, and DUI crimes as the fastest growing and most problematic categories of crime. The jurisdiction with the largest casino presence, the city of Biloxi, experienced one of the lowest increases in crime of those presented in Table 3.11-9.

Table 3.11-9
Total Annual Average Ratio of Crimes per Population

Location	1990	1991	1992	1993	1994	1995	1996	1997
Hancock Co.	---	---	1:47.8	1:44.2	1:31.8	1:27.1	1:40.7	1:48.7
Harrison Co.	---	---	1:55.9	1:42.2	1:38.8	1:29.7	1:15.2	1:14.8
Biloxi	---	---	---	1:9.4	1:6.4	1:6.3	1:6.0	1:5.9
Jackson Co.	---	---	1:69.7	1:79.9	1:51.5	1:47.1	1:34.3	1:28.1
Mississippi	1:12.9	1:11.8	1:11.7	1:11.3	1:10.3	1:11.1	1:11.0	1:10.8

Sources: Bureau of Justice Statistics, June, 1998; Geospatial & Statistical Data Center, 1992-1994; University of Michigan National Archive of Criminal Justice Data, 1996 & 1997; and Metropolitan Crime Commission, 1999.

1 Although historical trends suggest that crime within the Gulf Coast region has increased
2 consistent with the advent of casinos, there is little indication that this relationship is a direct
3 result of the casino industry. The impact of the casino industry on crime is not easily separated
4 from other factors, such as national trends, changing economic conditions, social attitudes,
5 policing and judicial practices, unemployment, and changes in social service levels (CBSSE,
6 1999). DUI-related crime appears to be the only crime that has a larger presence in casino
7 jurisdictions. The city of Biloxi experienced the largest increase in DUI crimes over the
8 reporting period (see Appendix K).

10 **3.11.4 Tourism**

12 Many of the growth indicators for the tourism industry—retail sales, restaurant sales, hotel room
13 occupancy rates, and airport activity—have been rising over the past decade in the three-county
14 region (Arthur Andersen, 1997). In 1992, the year casino gaming was legalized, the hotel
15 occupancy rate was 56 percent (GRPC, 1998c). Between 1993 and 1996, hotel occupancy rates
16 increased, averaging around 70 percent. Airport activity at the Gulfport-Biloxi Regional Airport
17 has increased 68 percent since 1996. In 1998, the Mississippi Gaming Commission reported
18 almost 24 million visitors to Gulf Coast casinos, 70 percent of whom were from other states.
19 The city of Biloxi hosted 10,000 to 15,000 visitors on a typical weekday, and 150,000 visitors on
20 weekends (Staehling, 1996).

22 As an economic growth engine, tourism can be difficult to assess due to its links to the
23 manufacturing, retail, and services sectors of the economy and the numerous seasonal or even
24 unofficial businesses typically associated with tourism. For the three-county region, tourism-
25 related sales tax revenues are reported for the categories of automotive, food and beverage,
26 general merchandise, miscellaneous retail, miscellaneous service, and recreation. Since 1990,
27 the Mississippi Gulf Coast region has experienced a general increase in tourism-related sales and
28 tax collections (see Table 3.11-10).

30 Tax collections on tourism-related sales are 7 percent for the State of Mississippi, with 1.3
31 percent of that total reallocated to cities. Table 3.11-10 shows tourism-related sales tax revenues
32 by county. However, only the cities within those counties—and not the county governments—
33 receive revenues from the tourism-related sales taxes. Tax collections from tourism-related sales
34 in unincorporated areas remain with the state.

36 In 1990, tourism-related sales in the three-county region ranged from nearly \$20 million in
37 Hancock County to over \$200 million in Harrison County. Between 1990 and 1996, tourism-
38 related sales increased by 70 percent in Jackson County, 77 percent in Harrison County, and 93
39 percent in Hancock County (1990-1995). Sales tax revenues in Harrison County and Jackson
40 County increased by more than 106 percent and 91 percent, respectively. Tax revenues from
41 retail sales did not increase to the same extent in Hancock County (56 percent) during this time
42 period.

Table 3.11-10
Tourism-Related Sales Tax Revenues

	Hancock County		Harrison County		Jackson County	
Year	Retail Sales	Tax Collections	Retail Sales	Tax Collections	Retail Sales	Tax Collections
1990	\$19,365,000	\$1,164,000	\$206,970,000	\$12,418,000	\$79,420,000	\$4,765,000
1991	\$22,348,000	\$1,341,000	\$221,938,000	\$13,339,000	\$83,485,000	\$5,009,000
1992	\$24,441,000	\$1,466,000	\$250,392,000	\$14,584,000	\$94,484,000	\$5,669,000
1993	N/A	N/A	\$260,350,000	\$18,197,000	\$100,453,000	\$6,027,000
1994	\$33,812,000	\$2,367,000	\$330,365,000	\$22,737,000	\$112,018,000	\$8,915,000
1995	\$37,283,000	\$2,619,000	\$354,675,000	\$24,803,000	\$116,758,000	\$8,189,000
1996	N/A	N/A	\$365,812,000	\$25,612,000	\$134,596,000	\$9,090,000
% Change 1990-96*	92.5%	125.0%	76.7%	106.2%	69.5%	90.8%

N/A = Not available, *Hancock County - % change 1990-1995.

Source: GRPC, 1998c (rounded to nearest \$1,000).

3.11.5 Housing

This section discusses the existing housing market, including single-family and multi-family properties. A review of housing availability and cost trends is included, and affordable housing needs and opportunities are discussed.

3.11.5.1 Overall Housing Stock

The housing stock along the Mississippi Gulf Coast, based on the 1990 census, is summarized in Table 3.11-11. This table identifies both owner-occupied and renter-occupied homes, along with median home values, for the three Gulf Coast counties (a review of housing stock by cities and counties is found in Appendix K). The homes identified include all structure types (e.g., single family homes, apartments, and mobile homes). Most of the homes along the Mississippi Gulf Coast are located in Harrison County, which has 53 percent of the housing stock. Hancock County has the smallest number of homes, with only 11 percent of the housing stock. In 1990, the median home value on the Gulf Coast ranged from \$50,900 to \$55,100.

Table 3.11-11
1990 Occupied Housing Stock

City/County	Owner Occupied	Renter Occupied	Total	Median Home Value
Hancock County (total)	9,399	2,478	11,817	\$52,800
Harrison County (total)	36,554	23,003	59,557	\$55,100
Jackson County (total)	29,738	10,716	40,454	\$50,900
Miss. Coast Total	75,631	36,197	111,828	

Source: GRPC, 1998c.

3.11.5.2 Single Family Home Market

The single family home market in the Mississippi Gulf Coast prospered during the 1990s. Almost 10,000 new permits for single family dwellings were issued in the three-county region from 1994 to 1998. Harrison County was responsible for the largest portion of these permits with 5,176, followed by Jackson County with 3,870. The largest number of new single family housing starts for a single year in the Gulf Coast region was in 1998 with 2,223 housing starts. Appendix K summarizes the housing starts by cities and counties in the three-county region.

The Gulf Coast home sales market increased steadily through the 1990s. Since 1990, the average home price increased by 69 percent, and the number of homes sold each year increased by 119 percent, as shown in Table 3.11-12.

Table 3.11-12
Gulf Coast Home Sales Summary

Year Ending	1990	1991	1992	1993	1994	1995	1996	1997	1998	Percent Change (1990-98)
Average Sale Price	\$59,860	\$61,510	\$68,483	\$72,248	\$83,621	\$84,082	\$89,128	\$94,925	\$101,078	69%
No. of Sales	1,298	1,447	1,708	2,263	2,366	2,008	2,431	2,601	2,838	119%
New Listings	5,298	4,658	3,863	4,216	4,399	4,729	4,948	4,936	4,866	-8%

Source: Mississippi Gulf Coast Multiple Listing Service, 1999.

3.11.5.3 Apartment Market

The apartment market is composed of non-assisted apartments and assisted apartments. Non-assisted, or market-rent, apartments have rents that are not controlled in any manner. In contrast, assisted apartments receive direct government assistance, and eligibility for occupancy is usually based on the level of household income. The vacancy rate for non-assisted apartment units is about three times higher than that for assisted apartment units. Table 3.11-13 summarizes the supply and vacancy rates of non-assisted and assisted apartments on the Mississippi Gulf Coast in June of 1999.

Table 3.11-13
Non-Assisted & Assisted Apartment Supply and Vacancy Rates - June 1999

	Miss. Gulf Coast		Hancock		Harrison		Jackson	
	Non-Assisted	Assisted	Non-Assisted	Assisted	Non-Assisted	Assisted	Non-Assisted	Assisted
Total # of apartment units	14,141	5,739	417	506	9,750	3,755	3,974	1,478
Overall vacancy rate	4.8%	1.4%	7.2%	2.0%	4.8%	1.4%	4.8%	1.3%

Source: Loper, 1999.

The current vacancy rate of 4.8 percent for non-assisted apartments falls near the bottom of the four to six percent range considered normal in an area experiencing moderate population growth and below the seven to eight percent range considered normal for an area experiencing rapid growth (Loper, 1999).

As of June 1999, no assisted apartment units were under construction, but 244 units have been approved for construction (Loper, 1999). The construction of non-assisted apartments has increased significantly since the time casinos were introduced in the three-county region in 1992. Since 1991, non-assisted apartments have been constructed as follows: none in 1991 and 1992; 6 in 1993; 102 in 1994, 628 in 1995; 716 in 1996; none in 1997; 272 in 1998; and 1,136 under construction as of May of 1999 (Loper, 1999).

The rents for non-assisted apartments increased during the 1990s. Table 3.11-14 identifies the rents for non-assisted apartments in the city of Biloxi between 1991 and 1999. As shown in Table 3.11-14, average rental rates have increased over 50 percent in the last 10 years.

Table 3.11-14
Biloxi Non-Assisted Apartment Average Rental Rates

Apartment Type	1991	1995	1999	Percent Change from 1991 to 1999
One-Bedroom Unit	\$295	\$391	\$450	53%
Two-Bedroom Unit	\$361	\$472	\$550	52%
Three-Bedroom Unit	\$429	\$635	\$681	59%

Source: Loper, 1999; City of Biloxi, 1996b.

3.11.5.4 City of Biloxi Housing Market

Prior to the advent of dockside gaming, yearly housing starts averaged 75 per year in the city of Biloxi. Since then, the Biloxi housing market has grown, experiencing the construction of an average of over 100 new single-family homes each year between 1993 and 1998 (City of Biloxi, 1998a).

In 1997, a total of 478 homes were sold in the greater Biloxi area. Average selling price was \$96,312, with 127 days on the market and a list-to-sell ratio of 95 percent. Selling prices have increased by 61 percent since the first casino opened, when the average selling price was

1 \$60,000. Approximately 41 percent of all homes sold were valued at \$85,000 or less. The
2 market for expensive homes has grown, with nearly twice as many homes valued at \$200,000 or
3 above being sold in 1997 over 1996 (City of Biloxi, 1998a).

4
5 The Biloxi area has a total of 4,218 market-rent apartments. Nearly 20 percent were constructed
6 from 1994 to 1997, ending an inactive construction period that lasted from 1989 to 1994. The
7 1997 vacancy rate in the greater Biloxi area was 6.9 percent, less than the Gulf Coast average of
8 8.1 percent. Rents in the Biloxi market are approximately 12 percent higher than those recorded
9 for the Gulf Coast (City of Biloxi, 1998).

10 11 3.11.5.5 *Affordable Housing*

12
13 The U.S. Office of Housing and Urban Development (HUD) offers a variety of funding for
14 affordable housing programs. Household qualifications for these programs are typically based on
15 income levels and defined in the following three categories:

- 16
17 • Very low income = 0 to 30 percent of median income.
18 • Low income = 30 to 50 percent of median income.
19 • Moderately low income = 50 to 80 percent of median income.

20
21 Based on the income distribution reported in the 1990 census, approximately 40 percent of the
22 Gulf Coast households were considered low income and, as a result, qualified for some level of
23 affordable housing. The Gulf Coast households that qualified for affordable housing in 1990
24 based on the HUD categories are as follows: 17,435 moderately low income households (15
25 percent); 12,001 low income households (11 percent); and 15,716 very low income households
26 (14 percent).

27
28 A variety of affordable housing programs are offered in the Gulf Coast region. These programs
29 are provided by a combination of agencies including local governments, non-profit organizations,
30 and local and regional housing authorities. Many of these affordable housing programs are
31 funded by federal and state dollars with local matching funds. Some of the programs offered
32 include: down payment assistance; home-buyer education programs; home rehabilitation and
33 weatherization; rental assistance; public housing; and homeless shelters.

34 35 3.11.5.6 *City of Biloxi Affordable Housing Needs*

36
37 As in most cities, the older portions of the city contain the highest concentrations of low-income
38 persons and the most severe areas of substandard housing. These are primarily located in the far
39 eastern half of the city. Of the 16,685 households in Biloxi, about 44 percent are considered to
40 be low and moderate income. Biloxi's greatest housing needs fall in the very low-income renter
41 category, both for the elimination of physical defects in available housing and for the alleviation
42 of cost burden. There is also a critical need to assist low-income owners whose housing units
43 require rehabilitation (HUD, 1999).

1 With the advent of casinos, affordable housing has become extremely scarce in Biloxi and rental
2 housing is virtually unavailable. Because of the housing shortage, rents have escalated
3 significantly. In September, 1994, a total of 218 apartment units were under construction, but the
4 addition of new units has not eased the problem of affordability. Only 112 units of assisted
5 housing have been constructed since 1988. There are also very few affordable homes for sale,
6 with the greatest need for affordable housing in the price range of \$45,000 to \$65,000 (HUD,
7 1999).

8 9 *3.11.6 Fiscal Environment*

10
11 Revenues and expenditures comprise the fiscal environment of local governments. Typically,
12 property and sales taxes are the largest sources of local government revenues. Other sources
13 include license and permit fees, grants, court fines, charges for services, and other miscellaneous
14 taxes. The tax revenues generated by and expenditures required for services to the gaming
15 industry affect the fiscal structure of the three-county ROI.

16 17 *3.11.6.1 Local Government Revenues*

18
19 Gaming taxes are the most significant of the direct taxes levied on casino gaming facilities. At
20 the state and local level, revenues from gaming taxes are typically designated for expenditures on
21 infrastructure improvements, education, benefits for the elderly and disabled, and historical
22 restoration. State of Mississippi gaming taxes are assessed on gross monthly gaming revenues at
23 a rate of 4 percent for revenues up to \$50,000; 6 percent for revenues between \$50,000 and
24 \$134,000; and 8 percent for revenues greater than \$134,000. County governments in the state of
25 Mississippi levy a tax of 3.2 percent on gross gaming revenues and share the proceeds with city
26 governments. In addition, local governments receive licensing fees on gaming devices such as
27 slot machines (Arthur Andersen, 1996). Annual fees range from \$100 to \$250 per gaming device
28 (Mississippi State Tax Commission, 1999).

29
30 Table 3.11-15 presents the primary direct tax revenues collected from the gaming industry since
31 its legalization in 1992. To date, Jackson County has not approved casino gaming and is
32 excluded from the table. Gaming tax revenues totaled nearly \$500,000 for Hancock and Harrison
33 Counties in 1992, rising to over \$22 million by 1997. Harrison County has 12 casinos within its
34 jurisdiction: ten located in the city of Biloxi and two in the city of Gulfport, which partially
35 accounts for the higher total tax revenue generation. As shown in Table 3.11-15, local gaming
36 taxes have become another source of revenue for both county and city governments. In addition
37 to gaming taxes, the gaming industry and related industries contribute to property and sales taxes.

38
39 In the city of Biloxi, casinos generated over 21 percent of total gaming revenues for Hancock and
40 Harrison Counties. In the city of Gulfport, property taxes, sales taxes, and shared revenues
41 accounted for over \$37 million (70 percent) of total revenue, compared to gaming tax revenue
42 near 7 percent (City of Gulfport, 1999). Property taxes are still the largest share of revenue,
43 although in the city of Biloxi property tax revenues and gaming tax revenues are similar in size.
44 Hancock County property tax revenues were \$9.4 million or 27 percent, compared to gaming

revenues of 1.4 percent in 1998 (Hancock County, 1998). Harrison County property tax revenues were \$41 million or 36 percent, compared to gaming revenues of nearly 7 percent.

Table 3.11-15
Gaming Industry Tax Revenues

Year	Hancock Co.	Harrison Co.	City of Biloxi	City of Gulfport	Totals
1992	\$0	\$0	\$487,000	\$0	\$487,000
1993	\$782,000	\$2,404,000	\$6,124,000	\$0	\$9,311,000
1994	\$1,963,000	\$4,782,000	\$10,551,000	\$4,440,000	\$21,736,000
1995	\$1,585,000	\$5,315,000	\$11,464,000	\$3,430,000	\$21,793,000
1996	\$931,000	\$5,615,000	\$12,240,000	\$3,371,000	\$22,157,000
1997	\$465,000	\$5,807,000	\$12,744,000	\$3,704,000	\$22,720,000
1998*	\$487,000	\$7,527,000	\$15,467,000	\$3,500,000	\$26,981,000
Property Tax Revenue*	\$9,434,000	\$40,896,000	\$21,370,000	\$12,442,000	\$84,142,000
Total Revenue*	\$35,196,000	\$114,723,000	\$73,271,000	\$52,834,000	\$276,024,000
% of Total Revenue from Gaming Taxes	1.4%	6.6%	21.1%	6.6%	---

Source: GRPC, 1998c (rounded to nearest \$1,000).

*Source: City of Gulfport and Hancock County (FY98), City of Biloxi and Harrison County (FY99) (rounded to nearest \$1,000). Total revenues include all fund types (governmental, proprietary, and fiduciary) plus cash balances.

3.11.6.2 Local Government Expenditures

As of October 1999, the largest recorded fiscal year expenditures in the county and city governments of the coastal region were public safety, general government, public works, and capital projects. Public safety expenditures were the largest proportion of the city of Gulfport's budget at nearly \$21 million (40 percent of revenues). Public safety expenditures accounted for 17 percent of the budget in the city of Biloxi and 13 percent of the budget in both Harrison and Hancock Counties. Total expenditures of all revenues are presented in Table 3.11-16.

The city of Biloxi allocates 20 percent of its gaming tax revenue to its public safety budget, with an additional 10 percent allocated to Harrison County's public safety budget. Thirty percent of local gaming taxes are allocated to the city and county school systems. The remaining 40 percent go to the city's general fund (city of Biloxi, 1999).

Beginning in the early 1990s, the city of Biloxi increased spending on public works to upgrade water and sewer infrastructure, to correct past deficiencies and plan for future growth related to the casino industry (see Section 3.9). In addition, the city of Biloxi invested \$30 million (between 1993 and 1996) in public safety improvements, including new police vehicles and safety personnel (Staehling, 1996).

Table 3.11-16
Local Government Expenditures

Expenditure	Hancock Co.	Harrison Co.	City of Biloxi	City of Gulfport
General government	\$3,758,000	\$21,751,000	\$3,820,000	\$5,287,000
Public safety	\$4,449,000	\$15,124,000	\$16,452,000	\$20,956,000
Public works	\$7,203,000	\$16,850,000	\$14,834,000	\$6,456,000
Health and welfare	\$639,000	\$5,390,000	\$3,320,000	---
Culture and recreation	\$1,404,000	\$1,860,000	\$2,896,000	\$3,177,000
Education	\$583,000	\$4,725,000	\$11,996,000	---
Natural resource conservation	\$117,000	\$271,000	---	---
Economic development and assistance	\$470,000	\$5,644,000	---	---
Capital projects	\$6,076,000	\$2,300,000	\$32,899,000	\$1,800,000
Debt service	\$2,314,000	\$10,619,000	\$2,604,000	---
Other expenditures and financing uses	\$929,000	\$3,490,000	\$6,754,000	\$15,158,000
Total	\$35,196,000	\$114,726,000	\$95,575,000	\$52,834,000

Source: City of Gulfport and Hancock County (FY98), City of Biloxi and Harrison County (FY99) (rounded to nearest \$1,000). Expenditures include all fund types (governmental, proprietary, and fiduciary), plus cash balances.